

DEPARTMENT OF INDUSTRIAL RELATIONS

OFFICE OF THE DIRECTOR

455 Golden Gate Avenue, Tenth Floor
San Francisco, CA 94102
(415) 703-5050

September 22, 1999

Ms. Judith A. Cannedy
Credit Manager
U.S. Foodservice Contract Design
9844 Business Park Drive, Suite A
Sacramento, CA 95827

RE: Public Works Case #99-024
U.S. Foodservice Contract Design
James Madison Elementary School, San Leandro

Dear Ms. Cannedy:

This constitutes the determination of the Director of the Department of Industrial Relations regarding coverage of Targeted Specialties, Inc./U.S. Foodservice Contract Design ("U.S. Foodservice") on the above named project. This coverage determination is made under the public works laws and pursuant to Title 8, California Code of Regulations section 16000(a). Based upon my review of the documents submitted, and for the following reasons, it is my determination that the work performed by U.S. Foodservice on the James Madison Elementary School Renovation and Expansion Project ("Project") is a public work for which prevailing wages must be paid.

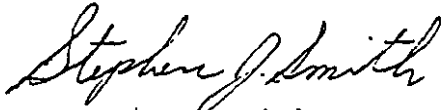
W.A. Thomas Company, Inc. ("Thomas") is the general contractor on the Project. U.S. Foodservice, a subcontractor, will install kitchen equipment, tables, and countertops at the school. This work involves removal of the equipment from the shipping crates and setting, leveling and securing the equipment to a wall or counter using hand tools.

Labor Code section 1720 generally defines public works to mean "Construction, alteration, demolition, or repair work done under contract and paid for in whole or in part out of public funds..." Labor Code section 1772 states: "Workers employed by contractors or subcontractors in the execution of any contract for public work are deemed to be employed upon public work." The reconstruction and expansion work on the Project by Thomas' employees is a public works for which Thomas is paying its employees prevailing wages. The work performed by U.S. Foodservice constitutes construction. In addition, it is performed at the public work site and is essential to the school

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facility project. As U.S. Foodservice's work is in the execution of a public works contract, its employees are also deemed to be employed upon a public work under Labor Code section 1772 and must be paid prevailing wages.

Sincerely,



Stephen J. Smith
Director

cc: Daniel M. Curtin, Chief Deputy Director and Acting Chief, DLSR
Marcy Vacura Saunders, Labor Commissioner
Henry P. Nunn, III, Chief, DAS
Vanessa L. Holton, Assistant Chief Counsel